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Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Room TW-B204
Washington, DC 20554

Re: WT Docket 02-353
WT Docket 04-356
RM-10956

Dear Ms. Dortch:

We are writing to urge the Commission to address the shortcomings in its rules for the auction of Advanced Wireless Services (AWS) and other important wireless spectrum. Specifically, the Commission's designated entity (DE) program, developed by the Commission to implement Section 309(j) of the Communications Act, has become a substantially misdirected program because it has been co-opted by those who the program was never intended to benefit, namely large national wireless carriers and high net worth individuals. Doyon, Limited ("Doyon") therefore urges the Commission to implement four rule changes, summarized below, to limit further abuses of the DE program, restoring program integrity consistent with the original intent of both congress and the Commission.

Doyon is one of the thirteen regional corporations established by Congress under terms of the Alaska Native Claims Settlement Act of 1971, 43 U.S.C. § 1601 et seq. Doyon is owned by approximately 14,000 shareholders of Athabascan and Eskimo descent. Many of these shareholders have incomes at or below the poverty line, live subsistence lifestyles, and benefit substantially from Doyon dividend distributions in meeting their basic needs.

As a shareholder in Alaska Native Wireless, a designated entity, Doyon participated actively in Auction No. 35. Doyon remains keenly interested in participating in FCC auctions generally and the Advanced Wireless Services Auction in particular.

Doyon has strongly supported the Commission's longstanding efforts to stimulate participation by companies owned by members of minority groups and women in Commission-regulated businesses. The Commission has consistently found that the lack of access to capital is the dominant barrier to entry in the capital-intensive wireless industry for businesses owned by members of minority groups and women. To address

this barrier, the Commission developed spectrum auction bidding credits and set-asides for smaller businesses, and its rules also expressly undertake to see that entities owned and controlled by Indian Tribes and Alaska Native Corporations are not unfairly prevented from benefiting from these measures.

Today, however, we are deeply concerned that the DE program has been co-opted by large national wireless carriers through partnerships with DEs, allowing these national carriers to realize benefits intended for DEs. Over the years the Commission has relaxed its control standards, along with other DE rules, which has been partly responsible for the current situation. Regardless of the cause, large national carriers, particularly in the wake of recent industry consolidation and with their already formidable balance sheets, have no justification for benefiting from advantages earmarked for DEs.

Similarly, a number of high net worth individuals, oftentimes former industry executives, have found that they can act as the controlling party of DEs. Congress and the Commission again surely did not intend that already wealthy individuals should benefit from further assistance by the government. Such individuals may contribute to the success of DEs as managers, directors or non-control investors, but they should not take the place of DEs themselves.

We therefore urge the Commission to adopt four specific changes to the existing DE program to address this situation. Specifically, we recommend that:

- Large incumbent wireless carriers (defined as having wireless revenues of \$5 billion or more) should not be allowed to partner with DEs in-region.
- The maximum AWS DE bid credit should increase from 25% to 35%.
- The DE bid credit should increase by 10 points (i.e., from our maximum proposed 35% to 45%) for those DEs who disproportionately serve underserved segments of the population, namely low income and minority group segments.
- High net worth individuals (with net worth exceeding \$3 million, excluding interests in their primary house) should not have a controlling interest in a DE.

These changes to the DE Program will help promote competition and ensure diversity of ownership in the wireless industry, benefiting carriers and consumers alike. Importantly, this is highly consistent with the Commission's intent in forming the DE Program to implement Section 309(j) of the Communications Act. We ask the Commission to amend the current auction rules ahead of the upcoming Advanced Wireless Services auctions to preserve real competition in the wireless industry and advance the Commission's work regarding Section 309(j).

Respectfully submitted,

/s/ Toby Osborn

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